

September 8, 2022

SALE DAY REPORT FOR:

Dane County, Wisconsin

**\$46,565,000 General Obligation Airport Project
Promissory Notes, Series 2022D (AMT)**



Prepared by:

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Competitive Sale Results

PURPOSE: For the public purpose of financing airport projects, consisting of a portion of the terminal modernization project at Dane County Regional Airport.

RATING: S&P Global Ratings "AAA" affirmed.

NUMBER OF BIDS: 9 bids received. The second place bid came in less than 2 basis points (bps = .01%) higher. Eight (8) bids coming in within 15 bps. Demonstrates very good competition.

LOW BIDDER: Morgan Stanley & Co., LLC , New York, New York

COMPARISON FROM LOWEST TO HIGHEST BID: (TIC as bid)

LOW BID:* 3.4023% - Adjusted to 3.4115% at time of sale.

HIGH BID: 3.9838%

INTEREST DIFFERENCE: \$1,314,321

Summary of Sale Results:	
Principal Amount*:	\$46,565,000
Underwriter's Discount:	\$188,797
Reoffering Premium:	\$3,360,304
True Interest Cost (TIC):	3.4115%
Costs of Issuance:	\$73,571
Yields:	2.75%-3.75%
Total P&I	\$59,553,687
Total Net P&I	\$56,382,180

NOTES: The projected TIC was 3.55% with the winning bid coming in approximately 15 bps lower.

The winning bid was also a "premium bid" where the under writer pays the County cash up front to help pay down higher coupon interest rates. This will provide the County \$2,512,987 in the Debt Service Fund in 2023. An additional

\$658,520 of premium will be available in 2024. The total premium deposited to the Debt Service Fund is \$3,171,507.

The original structure anticipated a “discount bid” where the underwriter takes their compensation up front by paying the County less than face value of the Notes. This allowed the County to reduce the size of the issue by \$475,000 due to unused Underwriter’s Discount.

The County Treasurer will serve as Paying Agent on the Notes.

The Notes maturing June 1, 2030 and thereafter are callable June 1, 2029 or any date thereafter.

* Subsequent to bid opening, the issue size was decreased to \$46,565,000.00.

CLOSING DATE: October 5, 2022

COUNTY BOARD ACTION: Adopt a resolution awarding the sale of \$46,565,000 General Obligation Airport Project Promissory Notes, Series 2022D (AMT).

SUPPLEMENTARY ATTACHMENTS

- Bid Tabulation
- Sources and Uses of Funds
- Updated Debt Service Schedules
- Rating Report
- BBI Graph

BID TABULATION

\$47,040,000* General Obligation Airport Project Promissory Notes, Series 2022D (AMT)

Dane County, Wisconsin

SALE: September 8, 2022

AWARD: MORGAN STANLEY & CO., LLC

Rating: S&P Global Ratings "AAA"

Subject To AMT - Non-Bank Qualified

NAME OF BIDDER	MATURITY (June 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
MORGAN STANLEY & CO., LLC New York, New York	2024	4.000%	2.750%	\$50,259,209.29	\$9,820,054.04	3.4023%
Raymond James & Associates, Inc.	2025	4.000%	2.800%			
FHN Financial Capital Markets	2026	5.000%	2.850%			
UBS Financial Services Inc.	2027	5.000%	2.950%			
Ramirez & Co., Inc.	2028	5.000%	3.050%			
Ziegler	2029	5.000%	3.120%			
Alamo Capital WMBE	2030	5.000%	3.200%			
Siebert Williams Shank & Co., LLC	2031	5.000%	3.350%			
R. Seelaus & Co., LLC WMBE	2032	4.000%	3.750%			
American Veterans Group, PBC SDVOB CINCaP Investment Group						
J.P. MORGAN SECURITIES LLC New York, New York				\$50,332,800.00	\$9,909,734.44	3.4150%
MESIROW FINANCIAL, INC. Chicago, Illinois				\$50,221,333.45	\$10,021,200.99	3.4585%
WELLS FARGO BANK, NATIONAL ASSOCIATION Charlotte, North Carolina				\$50,194,493.78	\$10,048,040.66	3.4690%
CITIGROUP GLOBAL MARKETS INC. New York, New York				\$50,332,800.00	\$10,068,001.67	3.4702%

* Subsequent to bid opening the issue size was decreased to \$46,565,000.

Adjusted Price - \$49,736,506.92 Adjusted Net Interest Cost - \$9,817,179.75 Adjusted TIC - 3.4115%

NAME OF BIDDER	MATURITY (June 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
JEFFERIES New York, New York				\$50,251,714.52	\$10,028,931.04	3.4806%
BAIRD Milwaukee, Wisconsin				\$50,309,464.25	\$10,167,244.64	3.5078%
HUNTINGTON SECURITIES, INC Chicago, Illinois				\$50,332,800.00	\$10,295,595.00	3.5528%
NORTHLAND SECURITIES, INC. Minneapolis, Minnesota				\$48,155,898.27	\$11,134,375.40	3.9838%

Dane County

\$46,565,000 General Obligation Airport Project Promissory Notes, Series 2022D (A)
SINGLE PURPOSE

Dated: October 5, 2022 Winning Bidder: Morgan Stanley

Sources & Uses

Dated 10/05/2022 | Delivered 10/05/2022

Sources Of Funds

Par Amount of Bonds	\$46,565,000.00
Reoffering Premium	3,360,304.20
Est, Int Earnings @ 0.30% for 1 month	11,625.00
Total Sources	\$49,936,929.20

Uses Of Funds

Total Underwriter's Discount (0.405%)	188,797.28
Municipal Advisor	16,000.00
Bond Counsel -will change	30,821.00
S & P Rating firm 9/5/18	26,750.00
Deposit to Project Construction Fund	46,500,000.00
Premium Deposit to Debt Service	3,171,506.92
Rounding Amount	3,054.00
Total Uses	\$49,936,929.20

Dane County

\$46,565,000 General Obligation Airport Project Promissory Notes, Series 2022D (A)
SINGLE PURPOSE

Dated: October 5, 2022 Winning Bidder: Morgan Stanley

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
10/05/2022	-	-	-	-	-
06/01/2023	-	-	1,425,636.67	1,425,636.67	-
12/01/2023	-	-	1,087,350.00	1,087,350.00	2,512,986.67
06/01/2024	4,845,000.00	4.000%	1,087,350.00	5,932,350.00	-
12/01/2024	-	-	990,450.00	990,450.00	6,922,800.00
06/01/2025	4,370,000.00	4.000%	990,450.00	5,360,450.00	-
12/01/2025	-	-	903,050.00	903,050.00	6,263,500.00
06/01/2026	4,575,000.00	5.000%	903,050.00	5,478,050.00	-
12/01/2026	-	-	788,675.00	788,675.00	6,266,725.00
06/01/2027	4,810,000.00	5.000%	788,675.00	5,598,675.00	-
12/01/2027	-	-	668,425.00	668,425.00	6,267,100.00
06/01/2028	5,055,000.00	5.000%	668,425.00	5,723,425.00	-
12/01/2028	-	-	542,050.00	542,050.00	6,265,475.00
06/01/2029	5,315,000.00	5.000%	542,050.00	5,857,050.00	-
12/01/2029	-	-	409,175.00	409,175.00	6,266,225.00
06/01/2030	5,585,000.00	5.000%	409,175.00	5,994,175.00	-
12/01/2030	-	-	269,550.00	269,550.00	6,263,725.00
06/01/2031	5,870,000.00	5.000%	269,550.00	6,139,550.00	-
12/01/2031	-	-	122,800.00	122,800.00	6,262,350.00
06/01/2032	6,140,000.00	4.000%	122,800.00	6,262,800.00	-
12/01/2032	-	-	-	-	6,262,800.00
Total	\$46,565,000.00	-	\$12,988,686.67	\$59,553,686.67	-

Yield Statistics

Bond Year Dollars	\$275,555.94
Average Life	5.918 Years
Average Coupon	4.7136296%
Net Interest Cost (NIC)	3.5626812%
True Interest Cost (TIC)	3.4115814%
Bond Yield for Arbitrage Purposes	3.2451773%
All Inclusive Cost (AIC)	3.4405322%

IRS Form 8038

Net Interest Cost	3.2469302%
Weighted Average Maturity	5.940 Years

RatingsDirect®

Summary:

Dane County, Wisconsin; General Obligation

Primary Credit Analyst:

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Summary:

Dane County, Wisconsin; General Obligation

Credit Profile

US\$76.435 mil GO prom nts ser 2022A dtd 10/05/2022 due 06/01/2032		
<i>Long Term Rating</i>	AAA/Stable	New
US\$47.04 mil GO arpt proj prom nts ser 2022D dtd 10/05/2022 due 06/01/2032		
<i>Long Term Rating</i>	AAA/Stable	New
US\$14.56 mil taxable GO prom nts ser 2022C dtd 10/05/2022 due 06/01/2032		
<i>Long Term Rating</i>	AAA/Stable	New
US\$8.555 mil GO corp purp bnds ser 2022B dtd 10/05/2022 due 06/01/2042		
<i>Long Term Rating</i>	AAA/Stable	New

Credit Highlights

- S&P Global Ratings assigned its 'AAA' rating to Dane County, Wis.' roughly \$76.435 million series 2022A general obligation (GO) promissory notes, roughly \$8.555 million series 2022B GO corporate-purpose bonds, roughly \$14.56 million series 2022C taxable GO promissory notes, and roughly \$47.04 million series 2022D GO airport project promissory notes.
- The outlook is stable.

Security

The county's full-faith-and-credit GO pledge secures the series 2022A-2022D obligations.

Officials intend to use series 2022A-2022C proceeds to fund various capital projects and series 2022D proceeds to finance airport projects.

Credit overview

Home to the state capital of Madison and University of Wisconsin's flagship campus, Dane County's economy is broad and diverse. Although state statute caps the county's annual property tax operating levy and sales tax, management has built and maintained, what we consider, very strong reserves thanks to aligning budgeted expenditures with revenue growth carefully. Fiscal 2021 results show a significant surplus of roughly \$53 million due to conservative budgeting and significantly overbudget sales tax receipts. For fiscal 2022, management conversations indicate it expects another surplus due to sales tax collections \$8 million overbudget. Management expects a typical fiscal 2023 budget. The county has routine debt plans to cover capital costs annually; however, debt schedules show it will maintain rapid amortization, keeping debt manageable.

The rating reflects our opinion of the county's:

- Resilient economy due to the state capital and University of Wisconsin's anchoring presence,
- Strong financial management that has led to very strong finances, and

- Debt-and-pension liabilities with participation in a well-funded state pension plan.

Environmental, social, and governance

We have analyzed the county's environmental, social, and governance (ESG) risks relative to its economy, management, financial measures, and debt-and-liability profile; we view them all as credit-neutral.

Ratings above the sovereign

Dane County's bonds are eligible to be rated above the sovereign because we think the county can maintain better credit characteristics than the nation in a stress scenario. Under our criteria, "Ratings Above The Sovereign: Corporate And Government Ratings—Methodology And Assumptions," published Nov. 19, 2013, on RatingsDirect, we consider U.S. state and local governments as having moderate sensitivity to national risk. The county's local property tax revenue is the sole source of bond and note security. The Institutional Framework in the U.S. is predictable with state and local governments having significant autonomy, independent treasury management, and no history of federal government intervention. The county demonstrates financial flexibility through, what we consider, very strong liquidity and primarily locally sourced operating revenue. (For more information on Dane County, see the analysis, published Sept. 3, 2021.)

Outlook

The stable outlook reflects S&P Global Ratings' expectation the county will likely maintain balanced operations during an inflationary environment. In addition, we view other credit factors as stable and unlikely to materially change within the two-year outlook.

Downside scenario

While not expected, we could lower the rating if budgetary performance were to falter, causing budgetary flexibility to deteriorate materially.

Dane County, Wisconsin Select Key Credit Metrics				
	Most recent	--Historical information--		
		2021	2020	2019
Very strong economy				
Projected per capita effective buying income as a % of U.S.	121.4			
Market value per capita (\$)	138,536			
Population		555,017	551,714	546,472
County unemployment rate (%)		2.8	4.8	
Market value (\$000)		76,889,801	76,889,801	74,243,627
Top 10 taxpayers as a % of taxable value		3.0	3.0	
Strong budgetary performance				
Operating fund result as a % of expenditures		0.7	3.8	0.9
Total governmental fund result as a % of expenditures		(6.2)	2.1	2.1
Very strong budgetary flexibility				
Available reserves as a % of operating expenditures		28.8	21.0	17.3

Dane County, Wisconsin Select Key Credit Metrics (cont.)

	Most recent	--Historical information--		
		2021	2020	2019
Total available reserves (\$000)		65,038	62,931	47,117
Very strong liquidity				
Total government cash as a % of governmental fund expenditures		44.4	37.2	39.0
Total government cash as a % of governmental fund debt service		528.1	449.4	437.5
Strong management				
Financial Management Assessment	Standard			
Adequate debt and long-term liabilities				
Debt service as a % of governmental fund expenditures			8.3	8.9
Net direct debt as a % of governmental fund revenue	74.7			
Overall net debt as a % of market value	3.5			
Direct debt 10-year amortization (%)	87.9			
Required pension contribution as a % of governmental fund expenditures		2.6	2.6	
Other postemployment benefits actual contribution as a % of governmental fund expenditures		0	0	
Strong Institutional Framework				

Related Research

- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013
- Incorporating GASB 67 And 68: Evaluating Pension/OPEB Obligations Under Standard & Poor's U.S. Local Government GO Criteria, Sept. 2, 2015
- Criteria Guidance: Assessing U.S. Public Finance Pension And Other Postemployment Obligations For GO Debt, Local Government GO Ratings, And State Ratings, Oct. 7, 2019
- 2021 Update Of Institutional Framework For U.S. Local Governments
- Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022

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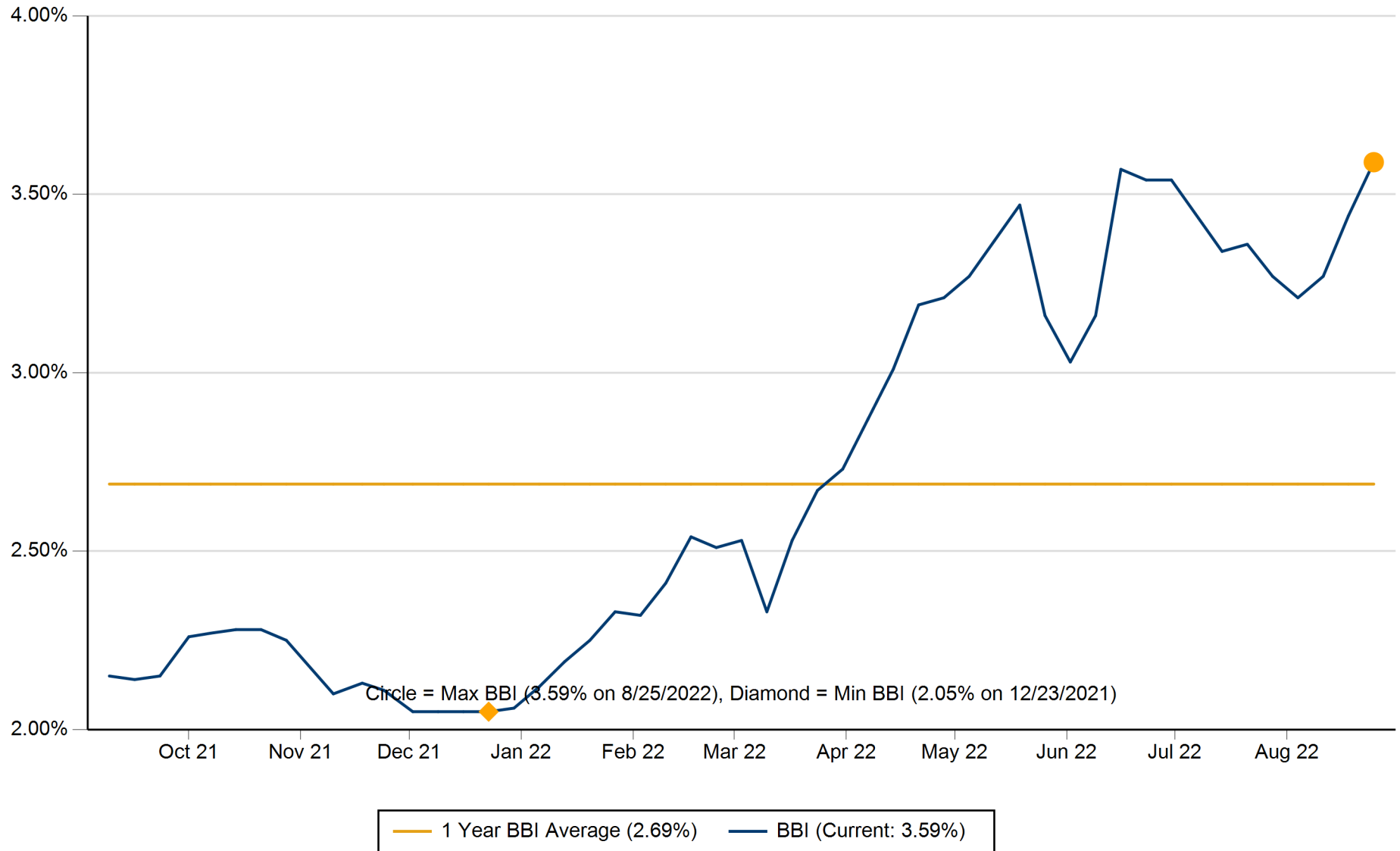
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1 YEAR TREND IN MUNICIPAL BOND INDICES

Weekly Rates September, 2021 - September, 2022



The Bond Buyer "20 Bond Index" (BBI) shows average yields on a group of municipal bonds that mature in 20 years and have an average rating equivalent to Moody's Aa2 and S&P's AA.